

Message Text

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TAR-02 AGR-20 AID-20 CIAE-00 COME-00 INR-10 LAB-06

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E.O. 11652: N/A

TAGS: ETRD, UNCTAD

SUBJECT: UNCTAD: RESTRICTIVE BUSINESS PRACTICES

REF: GENEVA 4372; STATE 162552; STATE 161635

BEGIN SUMMARY: SIXTH SESSION OF COMMITTEE ON MANUFACTURES
REACHED AGREEMENT WITH GROUP OF 77 (DEVELOPING) COUNTRIES
ON PROCEDURAL CONCLUSION TO CONVENE MEETING OF GROUP OF
EXPERTS IN 1974 AFTER ADEQUATE PREPARATION WITH SAME TERMS
OF REFERENCE AS PREVIOUS GROUP. GROUP B COORDINATOR
SUCESSFULLY FINESSED DIFFERENCES WITH GROUP B THUS
AVOIDING PROTRACTED NEGOTIATIONS ON INDIVIDUAL RECOMMEN-
DATIONS IN REPORT OF EXPERT GROUP. TEXT OF CONCLUSION CON-
TAINED IN PARA 4 BELOW. END SUMMARY.

1. DEBATE IN PLENARY ON REPORT OF EXPERT GROUP ON
RESTRICTIVE BUSINESS PRACTICES (RBP) NOTABLE FOR BUSINESS-
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LIKE TONE AND SMALL NUMBER OF DEVELOPING COUNTRIES

(BRAZIL, ARGENTINA, URUGUAY) WHICH SPOKE. CHILE DID NOT RPT NOT INTERVENE ON RBP AGENDA ITEM BUT CONFINED ITSELF TO REMARKS MADE IN GENERAL DEBATE (GENEVA 4308). MAJOR STATEMENT ON BEHALF OF GROUP OF 77 WAS MADE BY EGYPT. SPOKESMAN SUGGESTED THAT COMMITTEE ENDORSE ALL RECOMMENDATIONS OF REPORT OF EXPERTS INCLUDING ALL REQUESTS FOR FURTHER STUDIES. SOCIALIST COUNTRIES MADE USUAL COMMENTS ABOUT NEED CONTROL MONOPOLIES AND NEGATIVE EFFECTS OF MULTINATIONAL CORPORATIONS. WHILE AGREEING THAT FURTHER WORK SHOULD BE MORE EMPIRICAL AND FOCUSED, GROUP B (DEVELOPED) COUNTRIES DIVIDED ON SPECIFIC CONCLUSIONS AND RECOMMENDATIONS OF REPORT. SCANS, DUTCH, AUSTRALIANS AND TO LESSER EXTENT CANADIANS SAID THEY READY AGREE STUDY GUIDELINES AND COMPLAINT BUREAU. SWITZERLAND, GERMANY, US, UK AND JAPAN WERE OPPOSED. PRIVATELY JAPANESE VERY UNHAPPY WITH WAY SECRETARIAT TRIED FORCE DRAFT REPORT ON EXPERTS AND UK DOUBTED WISDOM OF EXPERT GROUP APPROACH PARTICULARLY WHEN RESULTS ARE AS ACADEMIC AS PRESENT REPORT. US DEL CAREFULLY AVOIDED ENDORSING RECOMMENDATIONS IN REPORT, NOTED EXPERTS THEMSELVES SAW CONCLUSIONS AND RECOMMENDATIONS AS TENTATIVE, AND CLARIFIED US POSITION ON FURTHER WORK INCLUDING OPPOSITION TO STUDY OF COMPLAINT BUREAU.

2. LENGTHY DRAFT RESOLUTION OF DEVELOPING COUNTRIES (TD/B/C.2/L.61) WAS RESULT OF DIFFICULT NEGOTIATIONS IN GROUP OF 77. CHIEF ARCHITECTS WERE CHILE AND EGYPT. CHILE PRESSED FOR PARAS ON MULTINATIONAL CORPORATIONS WHILE EGYPT (WHICH HAD EXPERT ON GROUP) PRESSED FOR ENDORSEMENT OF ALL CONCLUSIONS AND RECOMMENDATIONS IN REPORT OF EXPERTS.

3. WHILE AGREEING ON INITIAL POSITION THAT DRAFT RESOLUTION NOT NEGOTIABLE (GENEVA 4372), GROUP B WAS BADLY SPLIT ON ELEMENTS FOR FUTURE WORK (SUCH AS SUPPORT OF STUDY ON GUIDELINES) THAT MIGHT GO INTO PROCEDURAL RESOLUTION. AFTER TWO HOURS OF DEBATE, BELGIUM, GERMANY, AUSTRALIA, SWITZERLAND AND US WENT INTO DISCUSSIONS WITH GROUP OF 77 IN SMALL DRAFTING GROUP WITHOUT A COMMON GROUP B POSITION. LIMITED OFFICIAL USE

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GROUP B COORDINATOR (POSWICK, BELGIUM) SKILLFULLY AVOIDED DISCUSSION OF SPECIFIC DEMANDS OF GROUP OF 77. HE NOTED TENTATIVE NATURE OF CONCLUSIONS AND RECOMMENDATION AND SAID GOVERNMENTS NEEDED MORE TIME TO STUDY ISSUES. SAID ONLY COMMON ELEMENT IN GROUP B WAS AGREEMENT TO CONVENE ANOTHER GROUP OF EXPERTS USING PARA 5 OF RES. 73 (III) AS TERMS OF REFERENCE. EGYPT AND CHILE TRIED ON SEVERAL OCCASIONS TO DISCUSS SPECIFIC POINTS

SUCH AS GUIDELINES BUT GROUP B NEGOTIATORS REFUSED.
FORTUNATELY AUSTRALIAN REP (WHO WAS IN POSITION AGREE TO
SUPPORT SOME OF DIFFICULT STUDIES) REMAINED SILENT AND
AFTER SEVERAL HOURS WE WERE ABLE OBTAIN AGREEMENT RESTRICTED
TO PROCEDURE. TEXT OF DRAFT RESOLUTION APPENDED TO REPORT.
WHILE IT PROVED UNNECESSARY, US DEL APPRECIATED HAVING
SUPPLEMENTARY GUIDANCE. ON SEVERAL OCCASIONS, NEGOTIATIONS
COULD HAVE TAKEN TURN WHERE SUCH GUIDANCE WOULD HAVE BEEN
VERY HELPFUL.

4. FOLLOWING IS TEXT OF SUMMARY OF CHAIRMAN WHICH IS INCLUDED
AS PARAS IN THE REPORT.

QUOTE

FOLLOWING INFORMAL DISCUSSIONS, IT HAS BEEN AGREED THAT:

1. THE SECRETARY-GENERAL OF UNCTAD SHOULD CONVENE
ANOTHER AD HOC GROUP OF EXPERTS ON RESTRICTIVE BUSINESS
PRACTICES CONSISTING OF AN ADEQUATE NUMBER OF GOVERNMENTAL
AND NON-GOVERNMENTAL EXPERTS TO BE NOMINATED BY THE
SECRETARY-GENERAL OF UNCTAD IN CONSULTATION WITH GOVERNMENTS
TO CARRY ON FURTHER THE WORK REQUESTED IN PARAGRAPH 5
OF RESOLUTION 73(III) AFTER ADEQUATE PREPARATION, AS
SOON AS POSSIBLE IN 1974. THE GROUP SHOULD TAKE NOTE
OF THE REPORT OF THE AD HOC GROUP OF EXPERTS CONTAINED
IN DOCUMENT TD/B/C.2/119 AND OF THE RELEVANT PARTS OF
THE REPORT OF THE SIXTH SESSION OF THE COMMITTEE ON
MANUFACTURES.

2. THE EXPERT GROUP WILL BE RESPONSIBLE TO THE
COMMITTEE ON MANUFACTURES TO WHICH IT SHALL SUBMIT
ITS REPORT.

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3. THE COMMITTEE TAKES NOTE OF RESOLUTION 1721 (LIII) OF THE ECONOMIC AND SOCIAL COUNCIL AT ITS FIFTY-THIRD SESSION OF "THE IMPACT OF MULTINATIONAL CORPORATIONS ON THE DEVELOPMENT PROCESS AND ON INTERNATIONAL RELATIONS," AND IN PARTICULAR PARAGRAPH 2 OF THAT RESOLUTION, REQUESTING "THAT THE STUDY GROUP APPOINTED BY THE SECRETARY-GENERAL BE INFORMED OF THE CONCLUSIONS OF THE AD HOC GROUP OF EXPERTS ON RESTRICTIVE BUSINESS PRACTICES..., AND THE COMMENTS ON THEM OF THE...COMMITTEE ON MANUFACTURES, SO THAT, AMONG THE VARIOUS ASPECTS OF THE PROBLEM, THE IMPORTANT ONE REFERRED TO THE AD HOC GROUP OF EXPERTS CAN BE TAKEN INTO ACCOUNT IN THE GLOBAL STUDY OF MULTINATIONAL CORPORATIONS..." IT REQUESTS THE SECRETARY-GENERAL OF UNCTAD TO INFORM THE STUDY GROUP OF THE WORK OF THE AD HOC GROUP OF EXPERTS ON RESTRICTIVE BUSINESS PRACTICES AND OF THE RELEVANT PARTS OF THE REPORTS OF THE SIXTH SESSION OF THE COMMITTEE ON MANUFACTURES.

4. SINCE IT WAS NOT POSSIBLE TO REACH AGREEMENT ON THE DRAFT RESOLUTION ON RESTRICTIVE BUSINESS PRACTICES,
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SUBMITTED BY THE REPRESENTATIVE OF PAKISTAN, ON BEHALF OF THE GROUP OF 77 MEMBERS OF THE COMMITTEE ON MANUFACTURES, THE COMMITTEE AGREED THAT THIS DRAFT RESOLUTION BE ANNEXED TO THE REPORT OF THE COMMITTEE. UNQUOTE.BASSIN

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